

FINAL STATEMENT OF REASONS

1) The Update to the Initial Statement of Reasons

There are no changes to the initial statement of reasons.

Non-substantive changes were made to the Final Regulation Text (Order to Adopt), including:

- 1) Reference citation additions,
- 2) Minor wording changes for added clarity and improved citation format,
- 3) Correction of the underlining of new text.

2) Imposition of Mandate on Local Agencies or School Districts

The department's regulatory action amending Sections 272.00 and 272.02 in Article 4.2, Chapter 1, Division 1, of Title 13, does not impose any mandate on local agencies or school districts and imposes (1) no cost or savings to any state agency, (2) no cost to any local agency or school district that is required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of the Government Code, (3) no other discretionary cost or savings to local agencies, and (4) no cost or savings in federal funding to the state. No studies or data were relied upon to make this determination.

3) Summary of Comments Received and Department Response

The proposal was noticed on October 29, 2010, and made available to the public from October 29, 2010 through December 13, 2010. One comment in support of the proposed regulations was received on December 13, 2010 from the Jonathan Morrison, Staff Counsel at the California New Car Dealers Association.

4) Determination of Alternatives

No reasonable alternative considered by the department, or that has otherwise been identified and brought to the attention of the department, would be more effective in carrying out the purpose for which these regulations are proposed or would be as effective and less burdensome to affected private persons than the proposed regulations. During the rulemaking process, no alternative that would lessen the adverse economic impact on small business was submitted.